



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

Stephen G. Boyden
Director

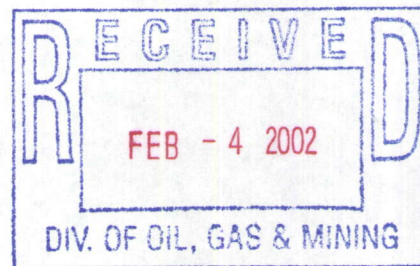
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

February 1, 2002

CERTIFIED NO. 7106 4575 1292 2028 4072

Bryce Haas
331 E. 200 So.
Lindon, UT 84042

RE: ML 47272A-BSLS
CD _____ \$5,000.00
DOGM Permit # S/039/012



Dear Mr. Haas,

On February 1, 2002, the Trust Lands Administration attempted to verify the funds in CD _____ (99013213) with the Far West Bank. The Bank refused to verify the funds to the Trust Lands Administration and the CD is therefore no longer acceptable as a bond for mining operations under ML 47272A-BSLS. I am recommending that the Director release CD / _____ in the due course of business.

You are hereby requested to submit a new bond in the form of a cash deposit or an irrevocable letter of credit in a minimum amount of not less than \$5,000.00, and in an amount of not less than \$5,000.00 per acre of surface disturbance including lands presently disturbed and lands proposed for disturbance under the leasehold. If you choose to submit a letter of credit it must clearly state the amount of funds that are subject to use and benefit of the Trust Lands Administration pursuant to your operations under ML 47272A-BSLS. The letter of credit must be irrevocable for a period of at least one year, automatically renewable, and should state that the Trust Lands Administration shall receive a written notification from the bank at least 60 days in advance of any termination of the letter the letter of credit.

Failure to Lessee to provide the requested new bond within thirty days of the date of this letter may result in cancellation of the lease without further notice. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Lynn Kunzler